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C O N F I D E N T I A L SECTION 01 OF 02 AMMAN 001666

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TAGS: <u>PGOV PREL ECON KIRF KPAL IS SY IZ IR LE JO</u> SUBJECT: STAFFDEL DISCUSSES PEACE PROCESS, REGIONAL EVENTS,

ECONOMY WITH JORDANIAN LEADERSHIP

REF: A. AMMAN 1579 ¶B. AMMAN 1455

Classified By: Ambassador David Hale

for reasons 1.4 (b) and (d).

11. (C) Summary: During a week-long visit to Jordan organized by the Jordanian Ministry of Foreign Affairs, a ten-member U.S. congressional staffdel met with a variety of senior figures, including Prime Minister Nader Al-Dahabi, Royal Court Chief Bassem Awadallah, Advisor to the Chief of Defense Prince Feisal, and Advisor to the King on Religious and Cultural Affairs Prince Ghazi. The group heard multiple pleas for active American engagement on the Israeli-Palestinian front. On Lebanon, the general tone was positive on the Qatar-mediated outcome, yet qualified by warnings of expanding Iranian influence. Dahabi and Awadallah noted that the economy was doing well despite continuing challenges. Several interlocutors mentioned the helpfulness of regularizing aid flows through a memorandum of understanding. Prince Ghazi touted Jordan's historically harmonious interfaith dialogue, but warned that evangelicals were undermining that peace. End Summary.

Israel/Palestine

- 12. (C) The staffdel got an earful on Israeli-Palestinian talks from a number of interlocutors. PM Dahabi said he was hopeful for major gains by the end of 2008, and reiterated that it was incumbent on Israel to take initial confidence-building steps with the Palestinians, such as removing roadblocks and easing the isolation of Gaza. Dahabi postulated that Hamas and Hizballah would become isolated in the event of a comprehensive agreement that produces results on the ground.
- (C) Awadallah asserted that a solution to the Palestinian question will contribute dramatically to the search for solutions of the region's problems. He also suggested that a half solution would be better than no solution, as long as it satisfied the "minimum political and humanitarian demands" of the Palestinians. Awadallah did not expect an agreement by the end of the Administration, and asserted that the next president "must engage from day one" on the issue. Prince Ghazi told the group that it has become increasingly difficult for moderate forces of Islam to hold back calls for jihad in the region over the status of Palestine, but emphasized that a solution would "take care of" such arguments. An unusually fiesty parliament speaker Abdulhadi Al-Majali chose to lecture the delegation for a full hour on the lack of American pressure on Israel. Majali chastised the Administration for "fantastic displays of action with no results," adding that he "wanted to blame the Americans" for the current state of affairs.

Lebanon, Syria, Iraq, and Iran

¶4. (C) On Lebanon, PM Dahabi noted that Jordan was pleased

with the Doha agreement over the Lebanese presidency, and noted the Jordanian role in the negotiations. Note: The King was less enthusiastic about the deal when he met the staffdel (Ref A). End Note. On the Iran-Hizballah connection, Dahabi argued that Iran is giving orders to Hizballah, saying, "money is never just spent, there are always orders that come with it." Prince Feisal noted that Lebanon was just an example of a "card that Iran can play" to create instability in the region to distract from its own behavior. He also mentioned that Iran has "an active mission in Jordan" that is designed to create instability domestically and restore a "Persian sphere of influence."

- 15. (C) Dahabi said that Jordan was working to maintain cordial relations with Syria. He hoped that Jordan could buy Syrian wheat, if Syria had a productive growing season.
- 16. (C) On Iraq, Dahabi told the staffdel that Jordan was looking to send an ambassador back to Baghdad. Dahabi also indicated that the he had sent an invitation to Iraqi Prime Minster Maliki to visit Jordan, and that he will encourage Maliki to also visit Saudi Arabia and the UAE. Note: Maliki is scheduled to visit Jordan on or around June 14. End Note. Jordan hopes to improve its economic relationship with Iraq, Dahabi said, raised the prospect of an oil pipeline between Haditha and the Jordanian refinery in Zarqa.

The Economy

17. (C) PM Dahabi stated that Jordan's economic prospects were good. Noting Jordan's seven to eight years of strong

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growth, he claimed that foreign currency reserve holdings were high, and that the 2.1 billion USD worth of debt Jordan had bought back from the Paris Club in March would pay dividends by easing pressures on the budget in the long run. Awadallah added that the government is focusing on attracting more foreign direct investment to Jordan to provide jobs for the burgeoning numbers of youth who have already started to flood the country's labor market. Commenting on the nationalist reaction to recent land deals, Awadallah said that privatization was about economic efficiency, not protection of national assets from outsiders. He lamented the politicization of the privatization process, and noted that those who oppose such moves lack an alternative economic plan (Ref B).

Assistance MOU

18. (C) Dahabi and other interlocutors expressed satisfaction with the progress of the proposed MOU addressing assistance from the U.S. to Jordan. Prince Feisal described how an MOU would make a restructuring of the Jordanian Air Force possible. Feisal asserted with USD 400 million a year as the baseline FMF from the USG for ten years, the GOJ could transform its military into a leaner, more lethal, more deployable force.

The Role of Religion

19. (C) Prince Ghazi went to great lengths to explain the harmonious nature of Orthodox Christians and Muslims in Jordan, which he credits for Jordan's stability and reputation for tolerance. Jordan, he said, is "punching well above its weight class" amongst the countries paving the way for religious tolerance dialogue. Ghazi then equated evangelicals with the crusaders, blaming them for rifts between Christians and Muslims and also between different Christian traditions. Ghazi asserted that the Orthodox Christian community stands with the Muslim majority in Jordan in their desire for the foreign Evangelical groups to go. "We want Christians," said Ghazi "just not your Christians."